

**BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

**BIYU WONG
15513 Harbor Way
San Leandro, CA 94579-2773
Accountant License No. CPA 81789**

Respondent.

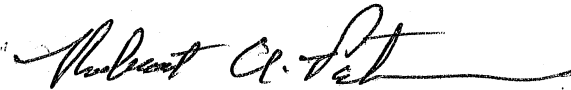
Case No. AC-2009-26

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on October 30, 2009.

It is so ORDERED October 1, 2009.



FOR THE CALIFORNIA BOARD OF
ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

1 EDMUND G. BROWN JR.
Attorney General of California
2 FRANK H. PACOE
Supervising Deputy Attorney General
3 JUSTIN R. SURBER
Deputy Attorney General
4 State Bar No. 226937
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Attorneys for Complainant

7
8 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
9 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA

10 In the Matter of the Accusation Against:

Case No. AC-2009-26

11 **BIYU WONG**
12 **aka MARY WONG**
15513 Harbor Way
13 San Leandro, CA 94579

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

14
15 Certified Public Accountant Certificate No.
81789

16 Respondent.

17
18 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
19 entitled proceedings that the following matters are true:

20 **PARTIES**

21 1. Patti Bowers (Complainant) is the Executive Officer of the California Board of
22 Accountancy. She brought this action solely in her official capacity and is represented in this
23 matter by Edmund G. Brown Jr., Attorney General of the State of California, by Justin R. Surber,
24 Deputy Attorney General.

25 2. Respondent Biyu Wong (Respondent) is representing herself in this proceeding and
26 has chosen not to exercise her right to be represented by counsel.

27 ///

28 ///

3. On or about August 30, 2001, the California Board of Accountancy issued Accountant License No. CPA 81789 to Biyu Wong (Respondent). The Accountant License was in full force and effect at all times relevant to the charges brought in Accusation No. AC-2009-26 and will expire on May 31, 2011, unless renewed.

JURISDICTION

4. Accusation No. AC-2009-26 was filed before the California Board of Accountancy (Board), Department of Consumer Affairs, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on April 30, 2009. Respondent timely filed her Notice of Defense contesting the Accusation. A copy of Accusation No. AC-2009-26 is attached as exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

5. Respondent has carefully read, and understands the charges and allegations in Accusation No. AC-2009-26. Respondent has also carefully read, and understands the effects of this Stipulated Settlement and Disciplinary Order.

6. Respondent is fully aware of her legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to be represented by counsel at her own expense; the right to confront and cross-examine the witnesses against her; the right to present evidence and to testify on her own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

CULPABILITY

8. With the exception of the allegations contained in Paragraphs 21 and 22, Respondent admits the truth of each and every charge and allegation in Accusation No. AC-2009-26 and agrees that her license is subject to discipline. For the purpose of resolving the Accusation

1 without the expense and uncertainty of further proceedings, Respondent agrees that, at a hearing,
2 Complainant could establish a factual basis for the allegations contained in paragraphs 21 and 22
3 and that those allegations constitute cause for discipline. Respondent hereby gives up her right to
4 contest that cause for discipline exists based on those charges.

5 9. Respondent agrees that her Accountant License is subject to discipline and she agrees
6 to be bound by the Board's imposition of discipline as set forth in the Disciplinary Order below.

7 CONTINGENCY

8 10. This stipulation shall be subject to approval by the California Board of Accountancy.
9 Respondent understands and agrees that counsel for Complainant and the staff of the California
10 Board of Accountancy may communicate directly with the Board regarding this stipulation and
11 settlement, without notice to or participation by Respondent. By signing the stipulation,
12 Respondent understands and agrees that she may not withdraw her agreement or seek to rescind
13 the stipulation prior to the time the Board considers and acts upon it. If the Board fails to adopt
14 this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary Order shall
15 be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action
16 between the parties, and the Board shall not be disqualified from further action by having
17 considered this matter.

18 11. The parties understand and agree that facsimile copies of this Stipulated Settlement
19 and Disciplinary Order, including facsimile signatures thereto, shall have the same force and
20 effect as the originals.

21 12. In consideration of the foregoing admissions and stipulations, the parties agree that
22 the Board may, without further notice or formal proceeding, issue and enter the following
23 Disciplinary Order:

24 DISCIPLINARY ORDER

25 IT IS HEREBY ORDERED that Accountant License No. CPA 81789 issued to Respondent
26 Biyu Wong (Respondent) is revoked. However, the revocation is stayed and Respondent is
27 placed on probation for three (3) years on the following terms and conditions.

28 1. **Actual Suspension.** Accountant License No. CPA 81789 issued to Biyu Wong is

1 suspended for 60 days. During the period of suspension the Respondent shall engage in no
2 activities for which certification as a Certified Public Accountant or Public Accountant is required
3 as described in Business and Professions Code, Division 3, Chapter 1, Section 5051.

4 2. **Obey All Laws.** Respondent shall obey all federal, California, other states' and local
5 laws, including those rules relating to the practice of public accountancy in California.

6 3. **Submit Written Reports.** Respondent shall submit, within ten (10) days of
7 completion of the quarter, written reports to the Board on a form obtained from the Board. The
8 Respondent shall submit, under penalty of perjury, such other written reports, declarations, and
9 verification of actions as are required. These declarations shall contain statements relative to
10 Respondent's compliance with all the terms and conditions of probation. Respondent shall
11 immediately execute all release of information forms as may be required by the Board or its
12 representatives.

13 4. **Personal Appearances.** Respondent shall, during the period of probation, appear in
14 person at interviews/meetings as directed by the Board or its designated representatives, provided
15 such notification is accomplished in a timely manner.

16 5. **Comply With Probation.** Respondent shall fully comply with the terms and
17 conditions of the probation imposed by the Board and shall cooperate fully with representatives
18 of the Board of Accountancy in its monitoring and investigation of the Respondent's compliance
19 with probation terms and conditions.

20 6. **Practice Investigation.** Respondent shall be subject to, and shall permit, practice
21 investigation of the Respondent's professional practice. Such a practice investigation shall be
22 conducted by representatives of the Board, provided notification of such review is accomplished
23 in a timely manner.

24 7. **Comply With Citations.** Respondent shall comply with all final orders resulting
25 from citations issued by the Board of Accountancy.

26 8. **Tolling of Probation for Out-of-State Residence/Practice.** In the event
27 Respondent should leave California to reside or practice outside this state, Respondent must
28 notify the Board in writing of the dates of departure and return. Periods of non-California

1 residency or practice outside the state shall not apply to reduction of the probationary period, or
2 of any suspension. No obligation imposed herein, including requirements to file written reports,
3 reimburse the Board costs, or make restitution to consumers, shall be suspended or otherwise
4 affected by such periods of out-of-state residency or practice except at the written direction of the
5 Board.

6 9. **Violation of Probation.** If Respondent violates probation in any respect, the Board,
7 after giving Respondent notice and an opportunity to be heard, may revoke probation and carry
8 out the disciplinary order that was stayed. If an accusation or a petition to revoke probation is
9 filed against Respondent during probation, the Board shall have continuing jurisdiction until the
10 matter is final, and the period of probation shall be extended until the matter is final.

11 10. **Completion of Probation.** Upon successful completion of probation, Respondent's
12 license will be fully restored.

13 11. **Ethics Course/Examination.** Respondent shall take and pass with a score of 90
14 percent or better a Board approved ethics examination within 60 days of the date the Board's
15 decision is final or prior to the resumption of practice.

16 If Respondent fails to pass said examination within the time period provided or within two
17 attempts, Respondent shall so notify the Board and shall not practice until Respondent takes and
18 successfully passes said exam, has submitted proof of same to the Board, and has been notified by
19 the Board that she may resume practice. Failure to pass the required examination no later than
20 100 days prior to the termination of probation shall constitute a violation of probation.

21 Notwithstanding any other provision of this probation, failure to take and pass this
22 examination within five years of the effective date of this order constitutes a separate cause for
23 discipline of Respondent's license.

24 12. **Continuing Education Courses.** Respondent shall complete and provide proper
25 documentation of 24 hours of professional education courses within 180 days of the effective date
26 of this order. These courses shall be in tax related subjects and shall be in addition to continuing
27 education requirements for relicensing.

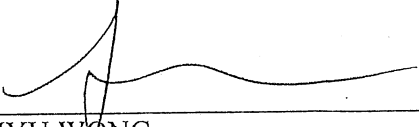
28 13. **Cost Reimbursement.** Respondent shall reimburse the Board \$12,000 for its

1 investigation and prosecution costs. The payment shall be made within 180 days of the date the
2 Board's decision is final.

3 ACCEPTANCE

4 I have carefully read the Stipulated Settlement and Disciplinary Order. I understand the
5 stipulation and the effect it will have on my Accountant License. I enter into this Stipulated
6 Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be
7 bound by the Decision and Order of the California Board of Accountancy.

8
9 DATED: 8/19/09


10 BIYU WONG
11 Respondent

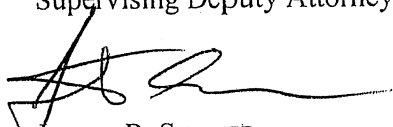
12 ENDORSEMENT

13 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
14 submitted for consideration by the California Board of Accountancy of the Department of
15 Consumer Affairs.

16
17 Dated: 8/24/09

Respectfully Submitted,

18 EDMUND G. BROWN JR.
19 Attorney General of California
20 FRANK H. PACOE
21 Supervising Deputy Attorney General


22 JUSTIN R. SURBER
23 Deputy Attorney General
24 *Attorneys for Complainant*

25 SF2009403485
26 Stipulation.rtf
27
28

Exhibit A

Accusation No. AC-2009-26

1 EDMUND G. BROWN JR., Attorney General
of the State of California
2 FRANK H. PACOE
Supervising Deputy Attorney General
3 JUSTIN R. SURBER, State Bar No. 226937
Deputy Attorney General
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6 Attorneys for Complainant

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10 In the Matter of the Accusation Against:

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11 **BIYU WONG**
12 **aka MARY WONG**
15513 Harbor Way
13 San Leandro, CA 94579

A C C U S A T I O N

14 Certified Public Accountant Certificate No.
81789

15 Respondent.

16
17 Complainant alleges:

18 **PARTIES**

19 1. Patti Bowers (Complainant) brings this Accusation solely in her official
20 capacity as the Executive Officer of the California Board of Accountancy, Department of
21 Consumer Affairs.

22 2. On or about August 20, 2001, the California Board of Accountancy issued
23 Certified Public Accountant Certificate No. 81789 to Biyu Wong (Respondent). The Certified
24 Public Accountant License was in full force and effect at all times relevant to the charges brought
25 herein and will expire on May 31, 2009, unless renewed. On or About September 27, 2007, Biyu
26 Wong was issued Fictitious Name Permit no. 1723 to use the name Mary Wong.

27 **JURISDICTION**

1 3. This Accusation is brought before the California Board of Accountancy
2 (Board), Department of Consumer Affairs, under the authority of the following laws. All section
3 references are to the Business and Professions Code ("Code") unless otherwise indicated.

4 **Statutory Provisions**

5 4. **Section 5100** states:

6 "After notice and hearing the board may revoke, suspend, or refuse to renew any
7 permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5
8 (commencing with Section 5080), or may censure the holder of that permit or certificate for
9 unprofessional conduct that includes, but is not limited to, one or any combination of the
10 following causes:

11 ...

12 "(c) Dishonesty, fraud, gross negligence, or repeated negligent acts committed in
13 the same or different engagements, for the same or different clients, or any combination of
14 engagements or clients, each resulting in a violation of applicable professional standards that
15 indicate a lack of competency in the practice of public accountancy or in the performance of the
16 bookkeeping operations described in Section 5052.

17 ...

18 (g) Willful violation of this chapter or any rule or regulation promulgated by the
19 board under the authority granted under this chapter.

20 ...

21 5. **Section 5060** states:

22 ...

23 "(b) No person or firm may practice public accountancy under any name other
24 than the name under which the person or firm holds a valid permit to practice issued by the
25 board.

26 "(c) Notwithstanding subdivision (b), a sole proprietor may practice under a name
27 other than the name set forth on his or her permit to practice, provided the name is registered by
28 the board, is in good standing, and complies with the requirements of subdivision (a).

...”

6. **Section 5061** states:

"(a) Except as expressly permitted by this section, a person engaged in the practice of public accountancy shall not:

(1) pay a fee or commission to obtain a client or (2) accept a fee or commission for referring a client to the products or services of a third party.

"(b) A person engaged in the practice of public accountancy who is not performing any of the services set forth in subdivision (c) and who complies with the disclosure requirements of subdivision (d) may accept a fee or commission for providing a client with the products or services of a third party where the products or services of a third party are provided in conjunction with professional services provided to the client by the person engaged in the practice of public accountancy. Nothing in this subdivision shall be construed to permit the solicitation or acceptance of any fee or commission solely for the referral of a client to a third party.

...

"(d) A person engaged in the practice of public accountancy who is not prohibited from performing services for a commission, or from receiving a commission, and who is paid or expects to be paid a commission, shall disclose that fact to any client or entity to whom the person engaged in the practice of public accountancy recommends or refers a product or service to which the commission relates.

"(e) The board shall adopt regulations to implement, interpret, and make specific the provisions of this section including, but not limited to, regulations specifying the terms of any disclosure required by subdivision (d), the manner in which the disclosure shall be made, and other matters regarding the disclosure that the board deems appropriate. These regulations shall require, at a minimum, that a disclosure shall comply with all of the following:

(1) Be in writing and be clear and conspicuous.

(2) Be signed by the recipient of the product or service.

(3) State the amount of the commission or the basis on which it will be

1 computed.

2 (4) Identify the source of the payment and the relationship between the source of
3 the payment and the person receiving the payment..

4 (5) Be presented to the client at or prior to the time the recommendation of the
5 product or service is made.

6 "(f) For purposes of this section, fee includes, but is not limited to, a commission,
7 rebate, preference, discount, or other consideration, whether in the form of money or otherwise.

8 ..."

9 7. **United States Code, Title 26, section 404(h)(1)(C)**, states:

10 "The amount deductible in a taxable year for a simplified employee pension shall
11 not exceed 25 percent of the compensation paid to the employees during the calendar year ending
12 with or within the taxable year (or during the taxable year in the case of a taxable year described
13 in subparagraph (A)(ii)). The excess of the amount contributed over the amount deductible for a
14 taxable year shall be deductible in the succeeding taxable years in order of time, subject to the 25
15 percent limit of the preceding sentence."

16 8. **United States Code, Title 26, section 1366(e)**, states:

17 "Treatment of family group.--If an individual who is a member of the family
18 (within the meaning of section 704(e)(3)) of one or more shareholders of an S corporation
19 renders services for the corporation or furnishes capital to the corporation without receiving
20 reasonable compensation therefor, the Secretary shall make such adjustments in the items taken
21 into account by such individual and such shareholders as may be necessary in order to reflect the
22 value of such services or capital."

23 **Regulatory Provisions**

24 9. **Code of Federal Regulations, Title 31, section 10.22**, states:

25 (a) In general. A practitioner must exercise due diligence--

26 (1) In preparing or assisting in the preparation of, approving, and filing tax
27 returns, documents, affidavits, and other papers relating to Internal Revenue Service matters;

28 (2) In determining the correctness of oral or written representations made by the

1 practitioner to the Department of the Treasury; and

2 (3) In determining the correctness of oral or written representations made by the
3 practitioner to clients with reference to any matter administered by the Internal Revenue Service.

4 ...”

5 10. **California Code of Regulations, title 16, section 56,** states:

6 “(a) A licensee shall not accept any fee or commission permitted by Business and
7 Professions Code Section 5061 unless he or she complies with the provisions of this section and
8 Section 56.1

9 “(b) A licensee who may receive a fee or commission pursuant to Business and
10 Professions Code Section 5061 shall furnish to the client, at or prior to the time the
11 recommendation of the product or service is made, a written disclosure statement in 12 point type
12 or larger that contains the following information:

13 “(1) The fact that the fee or commission is to be paid for professional services and
14 that a fee or commission cannot be accepted solely for the referral of the client to the products or
15 services of a third party.

16 “(2) A description of the product(s) or service(s) which the licensee is
17 recommending to the client, the identity of the third party that is expected to provide the product
18 or service, the business relationship of the licensee to the third party, a description of any fee or
19 commission which may be received by the licensee, including, but not limited to, any
20 supplemental fee or commission or other compensation allocable to the client being provided
21 with the product or service of the third party. Where the product(s) or service(s) cannot be
22 specifically identified at the time of the initial disclosure, this information shall be included in a
23 supplemental disclosure within 30 days of receipt of the fee or commission.

24 “(3) The dollar amount or value of the fee or commission payment(s) or the basis
25 on which the payment(s) shall be computed.

26 “(c) The written disclosure shall be on letterhead of the licensed firm or shall be
27 signed by the licensee. The disclosure statement shall be signed and dated by the client and
28 contain an acknowledgment by the client that the client has read and understands the information

1 contained in the disclosure. Supplemental disclosures as described in subsection (b)(2) of Section
2 56 need not be signed by the client or by the licensee. The licensee shall retain the disclosure
3 statements for a period of five years and shall provide copies to the client.

4 11. **California Code of Regulations, title 16, section 58**, provides that
5 licensees engaged in the practice of public accountancy shall comply with all applicable
6 professional standards, including but not limited to generally accepted accounting principles and
7 generally accepted auditing standards.

8 Accountancy Standards

9 12. The American Institute of Certified Public Accountants (AICPA)
10 Statements on Standards for Tax Services Number 1, Tax Return Positions states:

11 "2. The following standards apply to a member when providing professional
12 services that involve tax return positions:

13 "a. A member should not recommend that a tax return position be taken with
14 respect to any item unless the member has a good faith belief that the position has a realistic
15 possibility of being sustained administratively or judicially on its merits if challenged.

16 "b. A member should not prepare or sign a return that the member is aware takes a
17 position that the member may not recommend under the standard expressed in paragraph 2a."

18 "..."

19 13. AICPA Statements on Standards for Tax Services Number 2, Answers to
20 Questions on Returns states:

21 "2. A member should make a reasonable effort to obtain from the taxpayer the
22 information necessary to provide appropriate answers to all questions on a tax return before
23 signing as preparer."

24 14. AICPA Statements on Standards for Tax Services Number 3, Certain
25 Procedural Aspects of Preparing Returns, states:

26 "2. In preparing or signing a return, a member may in good faith rely, without
27 verification, on information furnished by the taxpayer or by third parties. However, a member
28 should not ignore the implications of information furnished and should make reasonable

1 inquiries if the information furnished appears to be incorrect, incomplete, or inconsistent either
2 on its face or on the basis of other facts known to a member. Further, a member should refer to
3 the taxpayer's returns for one or more prior years whenever feasible.

4 "3. If the tax law or regulations impose a condition with respect to deductibility or
5 other tax treatment of an item, such as taxpayer maintenance of books and records or
6 substantiating documentation to support the reported deduction or tax treatment, a member
7 should make appropriate inquiries to determine to the member's satisfaction whether such
8 condition has been met.

9 "4. When preparing a tax return, a member should consider information actually
10 known to that member from the tax return of another taxpayer if the information is relevant to
11 that tax return and its consideration is necessary to properly prepare that tax return. In
12 using such information, a member should consider any limitations imposed by any law or rule
13 relating to confidentiality.

14 ..."

15 **Internal Revenue Service ("IRS") Form 1120S Instructions**

16 15. The 2004¹, Instructions for IRS Form 1120S, line 7, Compensation of
17 Officers, states:

18 "CAUTION! *Distributions and other payments by an S corporation to a*
19 *corporate officer must be treated as wages to the extent the amounts are reasonable*
20 *compensation for services rendered to the corporation.*

21 ...

22 "If a shareholder or a member of the family of one or more shareholders of the
23 corporation renders services or furnishes capital to the corporation for which reasonable
24 compensation is not paid, the IRS may make adjustments in the items taken into account by such
25 individuals to reflect the value of such services or capital. See section 1366(e)."

26
27
28 1. The 2005 and 2006 Instructions for IRS Form 1100S, line 7, are the same as the 2004
instructions. Slight grammatical changes were made between the 2003 and 2004 version.

1 prepared an IRS form 1040 (and attachments) for KW for the years 2003, 2004, 2005 and 2006.
2 Respondent prepared all of the 2003, 2004, and 2005 returns under the name BC Services.
3 Respondent prepared the 2006 returns under the name Biyu Wong.

4 20. In 2003, KWI reported officer compensation in the amount of \$82,195 on
5 its tax return. However, in 2004, KWI reported only \$12,000 in officer compensation on its tax
6 return. In 2005 and 2006, KWI reported nothing in officer compensation on its tax return. KWI
7 had officer compensation in 2005 (under \$12,000). However, Respondent reported that
8 compensation on the wrong line of KWI's tax return.

9 21. Respondent knew KW was the president and sole shareholder of KWI and
10 performed all but a minimal amount of the total work KWI performed in 2003, 2004, 2005, and
11 2006. Respondent knew KWI reported officer income of over \$80,000 in 2003. Respondent
12 knew that KWI's gross receipts grew steadily each year from 2003 through 2006. Respondent
13 knew that as an S-Corporation KWI was required to pay its shareholder, KW, a reasonable salary
14 for the services KW provided to KWI and to report those payments as income. Despite this,
15 Respondent prepared KWI's returns with minimal or no officer compensation in 2004, 2005, and
16 2006. Respondent allowed nearly all of KWI's "profits" to pass to KW as distributions without
17 paying the required employment taxes on those "profits."

18 22. KWI's tax returns were audited by the IRS. As a result of this audit KWI's
19 corporate returns were adjusted to report additional wages of \$63,000 in 2004; \$64,000 in 2005;
20 and \$75,000 in 2006. KWI was assessed significant payroll taxes and penalties.

21 23. KWI reported a bad debt deduction of \$20,700 on its 2005 tax return. As
22 a cash method taxpayer, KWI could not claim a bad debt deduction unless the debt amount was
23 previously included in its income. While KWI claimed the bad debt deduction, KWI had not
24 previously reported the bad debt amount as income. Respondent knew KWI's accounting was
25 based on the cash method. Respondent further knew that bad debt deductions are not allowed for
26 S-corporations using the cash method of accounting unless the bad debt amount was previously
27 reported as income. Despite this, Respondent prepared KWI's return that included the bad debt
28 deduction without insuring the bad debt amount was previously reported as KWI's income.

1 24. The IRS disallowed the bad debt deduction of \$20,700 and ordered KWI
2 to pay additional taxes and penalties.

3 25. 26 U.S.C. 404(h)(1)(C) limits the amount a taxpayer can deduct in a
4 taxable year for simplified employee pension plans. The deduction is limited to 25 percent of the
5 compensation paid to its employees during the calendar year. KWI reported just \$11,821 in
6 salary and wages in 2005. However, KWI reported a deduction of \$12,750 on its 2005 tax return
7 for its simplified employee pension. Respondent improperly allowed KWI to made a deduction
8 for its pension in excess of 100% of its compensation to employees.

9 26. The IRS reduced the pension plan deduction in its audit of KWI.

10 27. Respondent was/is an investment agent for HBW Securities, LLC.
11 Respondent, through HBW Securities, LLC., sold an annuity to KW for \$30,000 in 2006.
12 Respondent, through HBW Securities, LLC., sold mutual fund investments to KW for \$40,000 in
13 2007. Respondent earned commissions on these sales. Respondent's commissions were not
14 disclosed to KW in a writing compliant with Section 5061(e) of the Code and California Code of
15 Regulations Title 16, section 56.

16 **FIRST CAUSE FOR DISCIPLINE**

17 (Gross Negligence and Repeated Acts of Negligence)

18 28. Respondent is subject to disciplinary action under section 5100(c) of the
19 Code in that Respondent was grossly negligent and committed repeated acts of negligence in the
20 preparation of KW and KWI's 2004, 2005, and 2006 tax returns. Respondent failed to meet the
21 due diligence standards required by 31 C.F.R 10.22 in preparing these returns. Respondent failed
22 to meet the standards of AICPA Statements on Standards for Tax Services Numbers 1-3 in
23 preparing these returns. Respondent failed to follow the applicable instructions in preparing
24 these returns. The specific acts and omissions are described in Paragraphs 19-26, above.

25 **SECOND CAUSE FOR DISCIPLINE**

26 (Unregistered Firm Name)

27 29. Respondent is subject to disciplinary action under Section 5100(g) of the
28 Code in that Respondent wilfully violated Section 5060 of the Code. Respondent practiced

1 public accountancy under an unregistered name. Respondent practiced under the name "BC
2 Services" when she prepared KW's and KWI's tax returns for 2003, 2004, and 2005. The name
3 "BC Services" is not a name set forth on any Respondent's licenses and permits and is not
4 registered with the California Board of Accountancy.

5 **THIRD CAUSE FOR DISCIPLINE**

6 (Failure to Disclose Commission)

7 30. Respondent is subject to disciplinary action under Section 5100(g) of the
8 Code in that Respondent wilfully violated Section 5061(e) of the Code and California Code of
9 Regulations Title 16, section 56. The circumstances are set forth in paragraph 27, above.

10 **PRAYER**

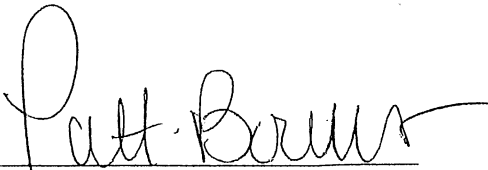
11 WHEREFORE, Complainant requests that a hearing be held on the matters herein
12 alleged, and that following the hearing, the California Board of Accountancy issue a decision:

13 1. Revoking or suspending or otherwise imposing discipline upon Certified
14 Public Accountant Certificate No. 81789, issued to Biyu Wong, aka Mary Wong.

15 2. Ordering Biyu Wong to pay the California Board of Accountancy the
16 reasonable costs of the investigation and enforcement of this case, pursuant to Business and
17 Professions Code sections 125.3 and 5107;

18 3. Taking such other and further action as deemed necessary and proper.

19
20 DATED: April 23, 2009

21
22 
23 PATTI BOWERS
24 Executive Officer
25 California Board of Accountancy
26 Department of Consumer Affairs
27 State of California
28 Complainant